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FATCA UPDATE

Background

The Region is gearing up for the implementation of FATCA. However there are many challenges and issues still to overcome. The frequent implementation delays by the IRS are evidence that the issues are real and must be dealt with expeditiously in order to avoid substantial penalties.

What is FATCA?

FATCA is a new US tax law designed to prevent US taxpayers from avoiding tax by investing through non-US financial institutions and offshore investment vehicles and concealing their assets from the IRS.

FATCA introduces a 30% withholding tax on certain payments made to Foreign Financial Institutions (FFI) and Non-Financial Foreign Entities (NFFEs) unless:

- ◆ FFI enters into an agreement with the IRS under which it commits itself to comply with a number of obligations.
- ◆ Certain NFFEs (many NFFEs are “excepted”) agree to disclose U.S. beneficial owners or certify that there are no U.S. owners; all NFFEs must be documented even if excepted.

Participating FFIs will report the holdings of US persons (and other information) which the IRS can then assess alongside the individual’s tax return to calculate their correct tax liability.

Participating FFIs will apply a 30% withholding tax on certain payments made to account holders who are non-participating FFIs, who are or appear to be US persons, but who do not provide the required documentation and/or permit the FFI to disclose their income and assets to the IRS, or who simply do not provide required FATCA documentation.

**Foreign
Financial
Institution**

Not participat-
ing in FATCA



Participating in FATCA

FFI enters into an agreement with the IRS or under an Inter-Governmental Agreement (IGA) between its country and the US through which it commits to comply with a number of obligations.
Identify US persons who hold assets with the FFI
Identify FATCA status of entity customers and counterparties
Report US persons’ assets to the IRS
Apply withholding to non-compliant FFIs and recalcitrant account holders and payees

Certain payments which are subject to a **30% withholding tax**; generally applies to payments from US sources

FATCA UPDATE CONT'D

Status of Implementation across the Region

The implementation of FATCA across the Region is being monitored by a FATCA Task Force headed by Mrs. Myrtle Halsall of the Bank of Jamaica. The following update is taken from a report dated May 2013.

GUYANA

Actions taken

1. A recommendation had been made by the technical committee for the adoption of a Model I IGA
2. Guyana advised that a legislative audit had been completed and that the Guyana Revenue Authority had been identified as the likely institution to carry out the role of Competent Authority.

TRINIDAD & TOBAGO

Actions taken

1. Discussions with the Minister of Finance and Bankers' Association yielded the recommendation that Trinidad and Tobago pursue a Model I (reciprocal) IGA with the US.
2. In this regard, a Cabinet Note was prepared and sent to the Minister for submission to the Cabinet.
3. The Board of Inland Revenue (BIR), Trinidad's tax authorities, will assume the role of Competent Authority. To this end, the BIR has met with the bankers and are awaiting official approval of the recommended model to be pursued.
4. It is expected that approval will be granted shortly (Friday, May 24)

THE EASTERN CARIBBEAN

Actions taken

1. A Working Group comprising 40 persons representing various public and private institutions and stakeholders from across each of the eight countries in the Eastern Caribbean has been formed.
2. In relation to the Model to be pursued:
 - 6 of the 8 countries prefer the Model I (reciprocal) IGA
 - 1 prefers the Model I (non-reciprocal) IGA
 - 1 prefers the Model II IGA
3. The following sub-committees have been formed:
 - Legal - working to draft overarching FATCA legislation
 - Negotiations - purpose is to liaise with governments of that region
 - Readiness assessment - comprised of regulators across the eight countries who are assessing the readiness of institutions and are compiling lists of exempt products and institutions to be included in Annex II
 - Competent Authorities - comprised of representatives from the Inland Revenue Departments. It is likely that a singular Authority will be established with outposts in each country.
4. The issue of the extent of reciprocity extended to a FATCA Partner by the US was raised in light of the knowledge that local laws in some US states prevent the exchange of information with an external party (as required by FATCA) in certain areas/aspects. It does not appear that these local laws will, or can, be addressed by the US federal government.
5. A 3-member Internal Review Committee comprised of persons from the Eastern Caribbean Central Bank has taken the lead role in coordinating the implementation of necessary measures and will frame a recommendation for submission to each of the eight governments in early-June. The recommendation is for a Model I (reciprocal) IGA to be adopted

HAITI

Actions taken

1. A meeting was held with members of Government at which a Model I IGA was recommended.
2. Approval is required from the Cabinet as well as the Parliament (legislative body).
3. The Minister has signalled Haiti's intent to sign an IGA through the US Embassy in Haiti.
4. The financial system in Haiti is small; assessments of institutions and products are underway for the conclusion of the Annex II document. Thus far it appears that only four banks will **not** be exempt.

BELIZE

Actions taken

A meeting with the Minister of Finance is being scheduled to discuss the most suitable model option for Belize.

1. The private sector is strongly inclined towards the Model I IGA and is writing the Minister encouraging him to allow for the

FATCA UPDATE CONT'D

pursuit of this option. In the interim, institutions have been preparing themselves for compliance with FATCA.

2. Further, as regards privacy issues, the banks have been proactive in obtaining waivers from their clients with little resistance. However, the offshore banking sector has not been forthcoming with their activities.
3. The Central Bank will likely be the Competent Authority under FATCA in the event of a Model I adoption.

BARBADOS

Actions taken

1. A report on the status of the preparation process has been prepared. No decision on a model has been taken as at May 2013.
2. Information is being compiled to determine the path to be taken for compliance with FATCA. Notably, emanating from this exercise is that the Head of the Tax Authority in Barbados is partial to the Model I IGA. This preference has also been voiced by the financial industry.
3. The preparation of a list of exempt institutions and products is underway.
4. The next step is to determine the most appropriate model option and secure approval for the pursuit of same.

BAHAMAS

Actions taken

1. The Bahamas, led by its Ministry of Financial Services, has held several consultations with public and private stakeholders. No decision on the appropriate Model option has been formally made.
2. Investigations of exempt institutions and products for inclusion in Annex II have been completed.
3. The final consultation took place on Monday, 27 May with the view to coming to an agreement on the Model option to be recommended.
4. Consideration is being given to whether an overarching or 'stand-alone' FATCA law should be enacted or whether amendments of existing legislation which conflict with FATCA regulations should be undertaken.

JAMAICA

Actions taken

1. The Technical team recommended a Model I (reciprocal) IGA for Jamaica.
2. The Minister then directed that a Cabinet Submission be prepared on FATCA requesting the following measures, the approval of which was subsequently received:
 - i. The negotiation for a Model-I (Reciprocal) Intergovernmental Agreement (IGA) with the United States Internal Revenue Service
 - ii. The designation of the Tax Administration Jamaica as the Central Authority under the negotiated Model I (reciprocal IGA)
 - iii. The issuance of drafting instructions to the Chief Parliamentary Counsel for new legislation that would facilitate and support the automatic sharing of tax information by Jamaican financial institutions and the Central Authority.

Implementations issues

Several challenges face foreign financial Institutions who are required to implement the FATCA regulations. These include:

1. Lack of data and the variability of data between customers including the fact that customers are in multiple locations.
 - a. Making contact with some customers will be very difficult and time consuming. There will be many dormant accounts with US indicia
2. Institutions are required to apply aggregation rules and de minimis rules. This will be very tedious and time consuming and cannot be done manually.
3. Institutions will be required to combine data from multiple sources: The regulation calls for aggregation of data. Systems need to be amended and laws changed to allow for sharing of information and aggregation of data even among different entities of a Group.
4. Timelines for compliance:
 - a. Getting systems amended and documentation amended in time for implementation deadline will be difficult with the various changes and clarifications which have not yet been done
5. Volumes of customers to be checked:
 - a. There are many customers who may have one or more US indicia. This may result in hundreds of thousands of customers who will need to provide the required information to verify their status.
6. Customer resistance/privacy concerns:
 - a. Some customers who may have US indicia are violently opposed to the new requirements given that they are not US residents.

FATCA UPDATE CONT'D

7. Resources:

- a. A significant amount of resources will be required to explain complicated forms and unfamiliar process, amend systems, acquiring new stationary or amending existing ones and writing new code to existing system to identify US persons.

Other issues

1. Direct registration with IRS irrespective of the model agreement
 - ◆ The FATCA requires that all FFIs register with the IRS. If an IGA model II agreement exists, registration will be directly between the IRS and the FFI via the portal which should be open by mid August. However, under Model I IGA, there should be a competent authority that should act as an intermediary between the IRS and the FFI, such that there will be no direct access or passing information between the FFI and the IRS. The FFI may be advised to register directly via the portal and obtain its Global Intermediary Identification Number (GIIN) so as not to be excluded from the list of participating FFIs. Exclusion from the list may be dangerous; however this could happen if the FFI is in a country pursuing an IGA and there are delays in establishing the Competent Authority.
2. Penalty of perjury
 - ◆ Compliance Programme – appoint responsible officer and establish a compliance programme that includes policies, procedures and processes sufficient to satisfy the requirements of the compliance programme.
 - ◆ Responsible Officer – A Responsible Officer will periodically certify to the IRS that the PFFI is compliant with these requirements under penalty of perjury. It is unclear how this penalty may be imposed within the local jurisdiction.
3. Document FATCA status of customers
 - ◆ May rely on client documentation (e.g., form W-8/W-9, Passport, certification), documentation maintained in the Participating Foreign Financial Institutions (PFFIs) files or in the case of certain accounts, information maintained by third parties who gather such information and meet specified requirements:
 - ◆ Unless the PFFI knows or has reason to know that such information is unreliable or incorrect
 - ◆ Reason to know means PFFI has information in its files conflicting with what's in the documentation. Some experts recommend getting W-8 forms from all customers
4. As non-US institutions prepare to scramble to be included in the December list, questions remain about the registration process. The draft Form 8957 was released without instructions, leaving the meaning of some terms unclear and detailed directions on how to complete it missing. One uncertainty in the form, for example, is whether some fields are optional and others required. Non-US institutions also face future uncertainties if their own governments later sign FATCA IGAs with the US. This could change their status and affect how they register with the IRS.
5. One of the interesting and still unanswered questions about the flood of information that IRS will be receiving from non-US financial institutions, is the use that IRS may make of this information and whether it can transmit or refer it to the Department of Justice for prosecution, to the IRS Criminal Investigation division for criminal investigation, or to its sister Treasury Department bureau, the Financial Crimes Enforcement Network, for analysis or storage.

Recommendation

Given that Financial Institutions may be unfairly criticized by customers for implementing a draconian US law, it may be more prudent to have an independent body such as the Caribbean Association of Banks Inc. (CAB) or the various Bankers Associations implement a public awareness campaign in order to educate customers.

It is very important for all Financial Institution to be registered by the 25th October. It is my recommendation that irrespective of whether or not the country is pursuing an IGA, registration should be done via the portal by the due date in order to obtain a GIIN.

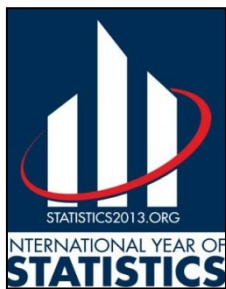
For FATCA purposes, the timing for signing and concluding the proposed IGA is critical for Foreign Financial Institutions (FFIs), based on IRS Notice 2013-43 which was issued on July 12, 2013. This notice states that, "a financial institution resident in a jurisdiction that is treated as having an IGA in effect will be permitted to register on the FATCA registration website as a registered deemed-compliant FFI (which would include all reporting Model 1 FFIs)". In addition, a jurisdiction may be removed from the list of Jurisdictions that are treated as having an IGA in effect if the jurisdiction fails to perform the steps necessary to bring the IGA into force "within a reasonable period of time". "Within a reasonable period of time" has not been defined by the IRS.

If a jurisdiction is removed from the list, FFIs located in that jurisdiction will no longer be entitled to the status that would be provided under the IGA and must update their status on the FATCA registration website accordingly.

It will therefore be critical for the Governments across the region to determine the required due dates and complete the IGA within the established FATCA timeline to avoid re-registration by FFIs.

Prepared by: Carlton Barclay, Chairman, Caribbean Association of Banks

DEMOGRAPHIC AND SOCIAL STATISTICS IN THE CARIBBEAN



Social and demographic statistics have always been an integral part of statistical activities in the Anglophone Caribbean. Early census counts dating back to the immediate post emancipation era represent the collection of a limited set of demographic statistics that provided information with regard to population sizes in a number of Anglophone Caribbean jurisdictions. However, it was not until the Post-World War II years and in particular, the census rounds of the 1960s, that census-taking permitted a wider coverage of demographic statistics consistent with modern census-taking activities. As far back as the 1950s, Anglophone Caribbean countries such as Jamaica and Trinidad and Tobago had been collecting vital statistics summarizing trends and patterns associated with birth and deaths and making allowances for the estimation of mid-year population sizes according to five-year age groups and sex on an annual basis.

Since the round of censuses in the 1960s, virtually every Anglophone Caribbean state, whether independent or non-independent, has undertaken population and housing censuses decennially in the 1970s, 1980s, 1990s and 2000s. Several of these states have completed census data collection, produced preliminary reports based on the 2010 census. These include Jamaica, Trinidad and Tobago, St. Lucia, Dominica, Belize, and Bermuda. Nonetheless, considerable census-taking initiatives are still pursued in these and other countries to produce the full-range of census results and satisfy the broad array of data and other statistical services required by numerous stakeholders who depend on social and demographic data emanating from the 2010 round of population and housing censuses.

The demographic data emanating from population and housing censuses serve important functions in the context of social and public policy. They permit national governments and other allied stakeholders to chart temporal changes in the compositional characteristics of national populations. Such changes are not only manifest in age and sex compositions of national populations but also population composition predicated upon ethnic origin, nationality, religious affiliation, and place of residence. More important, all of these characteristics could be examined in accordance with social characteristics on particular educational attainment, educational qualifications, personal health status, and labour market participation. Social and public policy interventions hinge upon the availability of valid population projections that rely upon the valid coverage of national population sizes disaggregated according to age and sex on the basis of national censuses. Critical issues pertaining to the pace of population aging due to the changing age structure of national populations, the threat of declining national population sizes as population growth rates decelerate and their implications for social, economic and political outcomes are worthy considerations.

In contemporary Anglophone Caribbean states, the annual production of vital statistics is of variable consistency and quality, particularly with respect to capturing dynamic associated fertility and mortality trends predicated upon age-related patterns. National assessments of morbidity and mortality experiences in a number of Caribbean states are seriously threatened by challenges associated with the production of these vital statistics on a reliable basis. Too often, there is a tremendous amount of apprehension and controversy linked to reporting health status as conveyed by infant mortality rates, child mortality rates and life expectancy at birth because of systematic challenges that impact negatively upon the coverage and collection of vital statistics reflecting fertility and mortality experiences in a number of Caribbean countries.

Since the 1970s, especially with the advent of the social indicators movements that had come of age during that era, some countries had begun to produce social statistics and social indicators reports. The Central Statistical Office in Trinidad and Tobago had published three social indicators reports in the 1970s, 1980s and 1990s respectively and had been in the forefront in the production of these kinds of statistical data. Several Anglophone Caribbean states had developed national capabilities to conduct national labour force surveys. Trinidad and Tobago and Jamaica have actually conducted such surveys on a quarterly basis while other jurisdictions such as Guyana, The Bahamas and Barbados have been known to conduct such surveys on periodic bases annually. While there have been sporadic attempts to collect data on labour force characteristics in several of the islands in the Eastern Caribbean, some have had no choice but to rely only on census-taking and sporadic data collection initiatives such as those associated with Survey of Living Conditions to facilitate systematic means of gauging labour force characteristics.

More recently, statistical data collection associated with the Multiple Indicator Cluster Surveys (MICS) done under the auspices of UNICEF and the Survey of Living Conditions (SLC) done mainly under the auspices of the Caribbean Development Bank, have expanded the coverage of social statistics within numerous Caribbean countries. MICS have been undertaken in Jamaica, Suriname, Guyana, Belize, Trinidad and Tobago and St. Lucia permitting access to critical social statistics on the status of women, children and their respective households. Except for the publication of Country Reports and strengthening core components of UNICEF and country-specific data banks, data from the MICS have not been so widely used in facilitating formal research undertakings by allied researchers seeking datasets to undertake secondary data analysis.

Jamaica has an enviable track record of collecting and utilizing data from the Jamaica Survey of Living Conditions (JSLC) that has been conducted annually since the late 1980s by the Planning Institute of Jamaica (PIOJ) in collaboration with the Statistical Institute of Jamaica (STATIN). In 2008, the PIOJ hosted a 20th Anniversary Conference showcasing formal research undertaken using the data produced by the JSLC. In general, data from the JSLC have been documented in numerous Country Reports, national and international data banks, Technical Papers and formal research papers treating with studies with topics related to social inequality. The data

DEMOGRAPHIC AND SOCIAL STATISTICS IN THE CARIBBEAN CONT'D

emanating from Surveys of Living Conditions conducted in other jurisdictions within the Anglophone Caribbean have been widely used in similar ways. However, such data have been based on surveys done much more infrequently than in the case of Jamaica.

Except for Jamaica, it would appear that in virtually every other jurisdiction, the capacity and capability to undertake studies tantamount to the conduct of Living Conditions Surveys is non-existent within public sector domains. Despite efforts by the CDB and other agencies to build capacity and capability in such undertakings, several from among the latter set of Anglophone Caribbean countries are disadvantaged as they continue to grapple with sustainable development paradigms and their respective mandatory requirements. Thus, it is imperative that the respective governments and civil society agencies become more seriously committed to investing in and strengthening human capabilities to undertake studies addressing the persistence of conditions that perpetuate patterns of social inequality and inequity that are inimical to the attainment of sustainable development. This situation is further aggravated by the apparent ignorance of many in authority who lack professional training and expertise in the execution of official statistical activities, yet make all kinds of pronouncements about what ought to be done with regard to the input of social statistics and indeed other kinds of statistics in the quest to further the development process.

Notwithstanding the above, commendation is due to a number of regional institutions that have spearheaded initiatives to mount training in social statistics. Chief among them are the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), CARICOM Secretariat, The University of the West Indies (UWI) and in particular, The Sir Arthur Lewis Institute of Social and Economic Studies (SALISES) based on the St. Augustine Campus in Trinidad and Tobago, and the Central Statistical Office in Port of Spain, Trinidad and Tobago. Notwithstanding disparate training opportunities in the field of social and demographic statistics prior to the 1980s, these agencies have independently and collaboratively facilitated opportunities for training personnel in a wide array of statistical activities akin to strengthening capabilities in social and demographic statistics.

Some noteworthy initiatives since 1980 have been the Demography Workshop that, in 1983, facilitated the training of personnel who hitherto continue to make their mark in the production and analysis of social and demographic statistics in the Anglophone Caribbean Region. This was a collaborative undertaking between the Latin American Demographic Centre (CELADE), ECLAC and The UWI. The CSO has had the distinction throughout the 1960s, 1970s, 1980s, 1990s and early 2000s offering statistical training in a host of statistical activities including social and demographic statistics to technical-level statistical officers in Trinidad and Tobago and a smaller number from neighbouring Caribbean islands. It is instructive to learn that this initiative has not been continued beyond 2002. The UWI, Mona Campus in Jamaica had been instrumental in training statisticians on social and demographic statistics at the Bachelors Degree level during the 1980s and 1990s and has the singular distinction of producing some of today's leaders within the community of Caribbean statisticians.

With the dawn of the new millennium, funding from a number of institutions, notably the CDB, UNICEF, USAID and CIDA have facilitated a series of Demography Training workshops administered by the CARICOM in collaboration with The UWI. Across a period of four years between 2006 and 2009, in excess of 100 professional and technical officers had been exposed to formal training in the collection, processing, analysis and reporting of demographic data in keeping with substantive and formal techniques that have evolved in the field of demography. This training initiative was successful in reaching statistical officers and statisticians in 19 CARICOM Member States and Associated Territories.

Since 2008, the SALISES in the St. Augustine Campus had been offering a M.Sc. Degree in Development Statistics with areas of specialization in Social and Demographic Statistics and Survey Research. The programme is directed towards strengthening the quantitative dimension of development policy interventions in developing countries, particularly in the Caribbean. As of 2012, there have been 19 graduates from the programme. The programme appears to be gaining popularity in specific professional quarters and hopefully will eventually benefit from institutional support that would provide funding for those candidates who wish to pursue the programme but lack the funds and institutional support to bring their desire into fruition. Since its inception, the programme has attracted close to 80 applicants and has been attended by about seventy students. By the end of 2013, it is hoped that the programme would have produced in excess of 30 graduates.

Economic statistics have had a much longer and visible presence as a domain of official statistics in Caribbean societies. Over the past four decades, however, social and demographic statistics have been gaining momentum as a sub-field of interest within the realm of official statistics. This has been the case in tandem with the thrust towards sustainable development that reinforces the critical importance of interrogating and understanding more comprehensively the status of socio-cultural domains and the peoples that shape and are shaped by such domains. This is even more important if one has to also understand and interrogate economic and environmental domains particularly in contexts where they intersect with socio-cultural domains.

Prepared by Godfrey St. Bernard, Senior Research Fellow, SALISES

REGIONAL NEWS SUMMARY

CL FINANCIAL

- According to Queen's Counsel Peter Knox, the State could not rely on arguments that CLICO's parent company CL Financial had failed to comply with its statutory fund obligations under the Insurance Act. Knox is leading a team of attorneys for the United Policyholders Group, in an appeal filed by the State against the ruling of a High Court judge who directed that the EFPA policyholders receive their full payments. (Newsday 4 Jul)
- Some four and a half years after Government took charge, CL Financial is to return to shareholders, but not to the perceived wrong-doers who were there when the company went belly-up, according to the framework for a new agreement between Government and the financial giant. (TE 24 Jul).
- Finance Minister Larry Howai has defended a Note he took to Cabinet earlier this month in which it is proposed that CL Financial shareholders would retain assets worth \$1.67 billion, while the Government, which bailed out the group in January 2009, receives an estimated sum of \$15.1 billion and third-party liabilities are settled to the tune of \$16.3 billion. (TG 24 Jul)
- CL Financial held its annual general meeting to elect new directors as a third extension of the agreement between Government and shareholders for management of CL Financial was about to expire. About 50 shareholders attended the meeting and it was agreed that a 30-day extension of the current shareholders agreement be approved until August 24. It is now up to Cabinet to approve a framework for a new agreement which will assist Government in recovering more than \$20 billion it pumped into CL Financial subsidiary CLICO. (TG 25 Jul)
- The CL Financial resolution proposal before Cabinet raises the possibility that Clico and British American's traditional insurance portfolios may be sold along with all of Clico's investments in methanol, banking, alcohol and property, according to the July 4 Letter of Intent which forms part of the Cabinet Note on the issue (TG 30 Jul)

CARIBBEAN

- Haiti's government is seeking to boost the agriculture sector through an agreement that would allow the impoverished Caribbean country to invest funds owed to Venezuela for fuel imports in massive food production projects and pay part of the fuel bills with food exports, officials say. (CNnow 27 Jun)
- While overall foreign direct investment inflows to Central America and the Caribbean fell by 17% in 2012 compared to 2011, FDI coming into T&T grew by 38% over the same period, according to figures from the World Investment Report 2013. (TG 27 Jun)
- Barbados is facing a serious economic challenge and it could take a major fiscal adjustment of roughly \$400 million to put it in good stead, said Prime Minister Freundel Stuart at the end of a Consultation on the Economy. (BAdv 28 Jun)
- Out of the ten borrowing member countries of the Caribbean Development Bank, Guyana has implemented the most of the projects under the 5th and 6th cycles of the bank's Basic Needs Trust Fund, and is also one of the best performers in terms of the execution of these projects. (GCO 28 Jun)
- Caribbean islands attract 20 million international tourists per year... but beyond dreams promoted in advertising campaigns, are they competitive in terms of visitors' experience and quality of hospitality? The beauty of beaches no longer enough, says Caribbean competitiveness survey (CNnow 28 Jun)
- A senior mining ministry official is casting doubt on prospects for the reopening of the mothballed Windalco Kirkvine alumina plant in Manchester, saying it is being scrapped for parts. (JO 28 Jun)
- The Private Sector Organisation of Jamaica president believes that eliminating input taxes for exporters and dropping corporate income tax to 15% would help with the elimination of distortionary tax incentives, while creating a globally competitive economic environment for investment in Jamaica. (JO 28 Jul)
- The Caribbean Industrial Research Institute's Centre for Enterprise Development secured a \$US3.5 million World Bank project to establish a Regional Climate Innovation Centre for the Caribbean (TG 29 Jun)
- Barbados and the Caribbean have the potential to reap benefits from opportunities in the area of renewable energy. This point has been highlighted by Liliana Ayalde, US Deputy Assistant Secretary of State for the Western Hemisphere Affairs as the region grapples to find billions of dollars to finance energy imports. Barbados' energy import bill is over \$700 million. (BAdv 1 Jul)
- Companies in Jamaica are now able to list bonds on the Jamaica Stock Exchange which will give a wider pool of investors access to debt instruments. (JO 1 Jul)
- The major challenge facing the Barbados economy is to reduce the fiscal deficit in order to determine a policy that finds the right balance between fiscal consolidation and economic expansion. (Carib360 1 Jul)
- The Social Economic Council of St Maarten held its first annual symposium under the theme of "Innovate or Deteriorate, Corporate Social Responsibility as the way forward for St Maarten." (CNnow 2 Jul)
- The National Competitiveness Council believes that Guyana can become more successful if it develops a more robust value-added export industry. While, various sectors have comparative advantages due to the availability of land, water, competitive wages, and an advantageous position as a potential exporter to Caricom, Guyana has not

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- been successful at building up competitive advantages (GuyTim 2 Jul)
- Preliminary estimates by the Central Bank show that domestic economic activity improved in the first quarter of 2013. The bank's latest repo rate report shows that the main driver of economic growth was the non-energy sector. Smaller growth in the energy sector reflected a rise in natural gas production that was somewhat offset by temporary downtime in some fertiliser operations (TG 2 Jul)
 - The government of Suriname intends to issue a first ever sovereign bond for approximately US\$500 million to raise funds for the financing of its equity share in planned joint ventures with two North American mining companies. (GuyTim 3 Jul)
 - Central Bank of Suriname is busy preparing the issue of a US\$ 500 million bonds loan, which, as bank governor Gillmore Hoefdraad tells de Ware Tijd, will be issued by the end of the year. (de Ware Tijd 3 Jul)
 - The government of Suriname intends to issue a first ever sovereign bond for approximately US\$500 million to raise funds for the financing of its equity share in planned joint ventures with two North American mining companies. (CNnow 3 Jul)
 - A tourism researcher and lecturer has advised Barbados' tourism authorities to target new categories of visitors and develop the kinds of experiences demanded by modern travellers. Dr Sherma Roberts said the Caribbean had continuously been "responsive" rather than visionary in the way it approached the industry. (BN 3 Jul)
 - The Bank of Jamaica has reopened subscription to its 6.77% variable rate Certificate of Deposit and has placed a new one-year CD on the market, amid signs that the foreign-exchange rate is holding steady above J\$101 to the US dollar. (JG 3 Jul)
 - Jamaica's top foreign exchange earners took a battering in the early months of 2013. The latest data on remittances, tourism arrivals and exports of bauxite and alumina all showed declines. (JO 3 Jul)
 - Guyana's minister of Human Services and Social Security Jennifer Webster, addressing the ILO meeting of Caribbean Labour Ministers, urged that labour ministers stand as a united force, committed to enabling the implementation of the Decent Work Country Programme in all the Caribbean countries for the benefit of all employees in the Region. (GCO 4 Jul)
 - The First Citizens Group plans to explore South and Central America for opportunities as it seeks to expand while awaiting approval from the Securities Exchange Commission to launch on the T&T Stock Exchange (TG 4 Jul)
 - According to UN figures, one in 33 people worldwide is a migrant. In 2010, there were around 30 million international migrants in Latin America and the Caribbean, according to ECLAC data. Although these people make valuable contributions to their destination countries and their communities, they remain exposed to mistreatment, discrimination, slavery, prostitution and other situations that infringe upon their human rights. (Caribseek 4 Jul)
 - Trinidad and Tobago has been ranked 81 out of 142 countries in the 2013 Global Innovation Index for the second consecutive year, a statement on the Index's official website has said. (TF 4 Jul)
 - Jamaica's Tourism Enhancement Fund is to finance four major tourism transformational projects in the resort towns of Ocho Rios, Montego Bay and Negril, as well as Port Royal in Kingston, at a cost of J\$1.2 billion, according to Tourism Minister Dr Wykeham McNeill. (JO 4 Jul)
 - IFC, a member of the World Bank Group, has signed a two-year cooperation agreement with the Guyana Bank for Trade and Industry to establish solid risk management practices and build a strong foundation for its small and medium enterprise lending. (SN 5 Jul)
 - MJB Airports Limited has cobbled a deal with World Bank affiliate IFC and FirstCaribbean International Bank for US\$15 million of financing for the runway expansion project at Jamaica's Sangster International Airport. The loan is near two-thirds of the US\$23.5-million project cost. (JG 5 Jul)
 - According to the Belize-based Caribbean Community Climate Change Centre (CCCCC), Caribbean sea temperatures are already showing a 0.8°C increase and will rise further by the end of the century. (Caribseek 5 Jul)
 - Sagicor Jamaica group has consolidated all resort assets into a newly created real-estate portfolio launched late last year under fund manager Sagicor Sigma Unit Trust. The shuffle grows the value of real-estate holdings at Sagicor Sigma to J\$12 billion and the number of assets to 12. (JG 5 Jul)
 - The Retail Price Index for the month of May 2013 released by the T&T's Central Statistical Office indicated that headline inflation was 5.6% for the period May 2013/May 2012, representing a decrease from 12.6% per cent for the comparative period the previous year (TE 6 Jul)
 - The year 2012 may have been successful for Rosebel Goldmines NV but this year does not seem to be rosy at all. A plummeting price of gold and increasing cost have forced the biggest gold mine in the country to economize. (de Ware Tijd 6 Jul)
 - State holdings company National Enterprises Ltd has recorded a \$496.7 million profit after tax for its financial year ending March 31, 2013, representing a 3.6% increase over the previous year. NEL is an investment holding company formed to consolidate the government's shareholding in select State enterprises, and facilitate a public offering on the Trinidad and Tobago Stock Exchange (TE 6 Jul)
 - Dr. Gene Leon, until recently the IMF Representative in Jamaica, is reported as having expressed some concerns

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about the over dependence in Jamaica on other (countries) people's money and the need to earn, rather than borrowing their way out of trouble (BAdv 8 Jul)

- Travel + Leisure magazine reports that the super luxurious Jade Mountain resort and its elegant sister property, Anse Chastanet, are the number one and number two hotels in the Caribbean region respectively, and number 14 and 21 in the world. (Carib360 8 Jul)
- Foreign business professionals traveling to The Bahamas solely for meetings for a less than two-week stay will no longer require a short-term work permit, (CNnow 9 Jul)
- In its review of Barbados' economic performance in the first half of 2013, the Central Bank revealed that the economy did not grow but contracted by 0.6%. The bank explained that not only did the sectors relied on heavily to generate foreign exchange – tourism and international business and financial services – fail to thrive, but there was a significant drop in foreign reserves during April, May and June. (BN 10 Jul)
- Barbados has been warned about the economy's over-reliance on tourism and the risk that this situation poses to the country's future. (BN 10 Jul)
- The United States has partnered with the T&T Government to share information on protecting the country's biggest economic contributor, the energy sector with the opening of the Energy Sector Security Initiative, a partnership between security forces in T&T and the US to share information on protecting critical energy infrastructure from foreign or local threats. (TG 10 Jul)
- Bank of Baroda managing director Yesh Pal Chhabra says plans are in the making to expand the local operations of the India-based bank. (TG 11 Jul)
- The executive secretary of the Economic Commission for Latin America and the Caribbean has called for the rethinking of development in the Caribbean "using equality and environmental sustainability as our compass." (TG 12 Jul)
- The hotel sector can take steps to reduce its high utility costs by implementing renewable technologies while also seeking to retrofit its lighting and air-conditioning systems, which together account for a significant percentage of electricity use. (BAdv 12 Jul)
- The Trinidad-based ENMAN Group presented a mega project to members of the local business community involving Caribbean integration, lobbying for investments. The project, which would create new industries and opportunities for manufacturers, includes a power cable connecting TT to Guyana, a Deep Water Port, Industrial Park, Aluminium Smelter, a Hydroelectric Power Plant, and a Caribbean Institute for Technology and Environment – a training institute to upgrade skills required for the project – all in Guyana (Newsday 13 Jul)
- The US has given the Caribbean more time to comply with its offshore tax law. The US Department of the Treasury and the Internal Revenue Service said that "due to overwhelming interest from countries around the world, a six-month extension to the start of the Foreign Account Tax Compliance Act withholding and account due diligence requirements will be provided to allow more time to complete agreements with foreign jurisdictions". (TG 14 Jul)
- The Suriname Stock Exchange has doubled its turnover in 2012, by raking in SRD 1.2 million, a 78% hike over 2011. Shares of the country's biggest bank DSB dominated at the exchange as well as those of insurance company, Assuria. (de Ware Tijd 15 Jul)
- There are signs that the Surinamese economy is slowly reaching boiling point and if the monetary authorities are not alert enough life could become expensive very fast. (de Ware Tijd 16 Jul)
- The value of Barbados' currency could be taking a plunge soon unless Government moves speedily to slash the deficit between its revenue and expenditure, warns Charlie Skeete, a retired senior economist at the IDB (BN 16 Jul)
- Investors will be guaranteed to be allocated at least 50 shares in State financial institution First Citizens, as the company officially launched its Initial Public Offer of close to 48.5 million shares, equivalent to almost 20% of the company's asset base. (TE 16 Jul)
- The IMF says the completion of the exchange of the "super bond" for new United States denominated bonds has brought "substantial cash-flow relief" to Belize. The IMF, which recently concluded a review of the country's economy, said that the new bonds, which will expire in 2038, has resulted in a cash flow of US\$130 million over the next five years. (TG 17 Jul)
- A broad-based private sector working group has been formed in Jamaica to examine and make recommendations on the Caribbean Community and other free trade agreements. (TG 17 Jul)
- American tech expert JJ Geewax has set up a business incubator in Jamaica that will invest in local start-ups and aspiring entrepreneurs interested in the global technology industry. The incubator, JGX Labs, is based in New Kingston. JGX will inject capital and provide office space, legal support, technical and business mentoring to the start-up companies. (JO 17 Jul)
- -The Caribbean region is embarking on a new technological experience and the latest edition of the Ericsson Mobility Report reveals that mobile-data traffic will continue to grow significantly in the coming years. (CNnow 17 Jul)
- One of Barbados' 'big four' accounting firms is sending home staff. Pricewaterhouse-Coopers' territory senior partner Marcus Hatch confirmed that the firm was severing eight members of staff but denied that their jobs were going to another regional country. (BN 17 Jul)
- Tajiri Resources Corp., a Canadian mining company operating in Guyana's Region 7 (Cuyuni/Mazaruni), last week

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- announced the discovery of a significant new lode gold system found during drilling at its Kaburi project. (GCO 17 Jul)
- Singapore announced an enhanced technical assistance package for the Caribbean Community during the first day of a high-level exchange between the grouping and the Asian economic powerhouse. (GuyTim 18 Jul)
 - The Antigua and Barbuda government has established a select committee to oversee the implementation process, as the island seeks to suspend certain concessions and other obligations with the United States in their ongoing Internet gaming dispute. (TG 18 Jul)
 - Four consecutive quarters of economic growth for Trinidad and Tobago. This was disclosed by Finance Minister Larry Howai who added that Trinidad and Tobago had received a triple A rating from CariCris, the Caribbean credit ratings agency. (TE 19 Jul)
 - Finance Minister Larry Howai is working with the Comptroller of Accounts to address the weaknesses identified in Auditor General's Report on the Public Accounts of the Republic of Trinidad & Tobago for the Financial Year 2012 (TG 19 Jul)
 - The Barbados Government unveiled an optimistic 10-point plan that is expected to lead the way in drawing back visitors from its main market, in addition to allowing tourism players to save money through a robust renewable energy initiative. The initial cost of the plan will be in the region of \$20 million. (BN 19 Jul)
 - Two days after state-owned bank First Citizens launched its initial public offering of 48,495,665 shares, the S&P rating service issued a report maintaining its BBB+ credit rating with a stable outlook on the financial institution. (TG 19 Jul)
 - Standard & Poor's has revised Barbados economic outlook to negative from stable, while the agency is keeping the 'BB+/B' credit rating it assigned the country last year. (BN 19 Jul)
 - Small Island States should establish links with nearby economic centres, maximise the benefits of migration and exploit niche markets to ensure future economic viability, the World Bank recommends. (GCO 22 Jul)
 - The Antigua-based regional airline, LIAT, said the Caribbean Development Bank is providing IUS\$65 million in loans to the four shareholder governments of the company to assist with the purchase of aircraft in the context of a fleet modernisation project. (Carib360 22 Jul)
 - Frank Nieder of the IDB, during a recent presentation, stated that there is no country credit rating for Guyana, and no transaction record of local firms in financial databases except for a US\$ 50 million line of credit with the local subsidiary of Chinese mining company BOSAI. He explained that the limited access is a result of limited demand from Guyana, the limited interest from external sources, and the public sector being able to meet external financing needs from official sources (GuyTim 22 Jul)
 - The Department of Cooperatives and Friendly Societies is reporting a 150% increase in the number of societies which applied for and received approval to operate during the fiscal period ending in March. (JG 22 Jul)
 - Guyana's Private Sector Commission is taking strong note of foreign currency limitations and the fluctuating value of the Guyana dollar. "There has been some concern, but that is expected given the fall in gold and sugar prices. Once you have a drop in commodity prices there is going to be pressure on the currency," (SN 23 Jul)
 - Substandard branding continues to be one of the major challenges hindering Caribbean products from dominating world markets and in an increasingly globally competitive environment where special preferences are becoming part of the past, the need to improve in this area is becoming more critical. (BA dv 23 Jul)
 - Governor of the Central Bank of Barbados (CBB), Dr Delisle Worrell says self-confidence will help the island overcome its economic problems, including the foreign exchange imbalance that has emerged in the last three months. (TG 23 Jul)
 - Dutch figures confirm what has already been recorded by international organizations: the Surinamese economy is booming and it has money to spend. (de Ware Tijd 24 Jul)
 - The T&T government proposes to raise \$1 billion through the issue of a 10 year bond with a coupon rate of 2.5% per annum. (TG 24 Jul)
 - Corporate Social Responsibility is essential for the sustainability of any business. Good CSR practices, according to communications consultant Donna Ramsammy, can protect businesses and preserve important relationships during periods of crisis. (TE 24 Jul)
 - With "significant seizures" of large amounts of currency or monetary instruments being made through the ports, Jamaica's Financial Investigations Division is in the process of inking a second Memorandum of Understanding with the Customs Department for closer co-operation in this area. (JO 24 Jul)
 - A study has shown that strategic investments in Barbados' renewable energy sector can immediately assist in Government's need to urgently cut spending by \$400 million. (BN 24 Jul)
 - Guyana's growth rate is projected at 4.8% according to a new report launched by the Economic Commission of Latin America and the Caribbean (GuyTim 25 Jul)
 - Scotiabank has been named "Best Consumer Internet Bank 2013" in Trinidad and Tobago by international magazine Global Finance. (TE 25 Jul)
 - The latest report by the Economic Commission for Latin America and the Caribbean (ECLAC) projects two per cent growth for T&T's economy this year. (TG 25 Jul)

REGIONAL NEWS SUMMARY CONT'D

- In keeping with its on-going commitment to provide support to food production and agriculture and assist in restructuring of the sugar industry, the Delegation of the European Union has launched a project to study and to alleviate problems related to drainage and irrigation on Caroni lands. This is the first phase of the project, which will specifically assess drainage and infrastructure at the Felicity agricultural site in Central Trinidad, followed by development of a water management and irrigation system. (TG 25 Jul)
- First Citizens has been named the Best Bank in Trinidad and Tobago at the 2013 Euromoney Awards, held on July 11 in London (TG 26 Jul)
- Hua Lien International, an associate of Pan-Caribbean Sugar Company, has said that operations in Jamaica's sugar industry may lead to a significant increase in losses for the period ending June 30, 2013. (JO 26 Jul)
- According to T&T's latest Central Bank, core inflation remains relatively stable, indicating that underlying inflationary pressures are well contained. Business lending, however, contracted for the sixth consecutive month in May 2013, suggesting that the low interest rate environment is yet to encourage a strong enough revival in private sector investment. (TG 27 Jul)
- Suriname and Guyana are working out plans to jointly build the planned bridge across the Corantijn River. The Surinamese government is negotiating a deal with the Chinese government to finance the project (de Ware Tijd 27 Jul)
- The packaging and branding of many items produced by small manufacturers in Barbados and the region are not of an acceptable standard, especially to compete in the international market, according to executive director of the Caribbean Export Development Agency (BN 29 Jul)
- St. Kitts-Nevis will receive US\$6.4 million from the IMF after the IMF completed an economic performance of the twin island federation under a 36 month Stand by Agreement. "Following a four-year contraction in economic activity, signs of an economic recovery are emerging. Sustained commitment to prudent macroeconomic policies and reforms will be necessary to address remaining risks and vulnerabilities and to support stronger and inclusive growth." (Carib360 29 Jul)
- Suriname's government debt per 31 May is US\$ 1.4 billion. The domestic share is US\$ 610 million, while the foreign debt amounts to US\$ 813 million, and the entire debt is 33.9% of the GDP (de Ware Tijd 29 Jul)
- The Barbados Private Sector Association (BPSA) has its own plan to save the Barbados economy. The first two areas on its to-do list are for Government to reduce the country's national debt by selling off non-strategic, non-core Government assets such as Hilton Barbados to pay down on debt, and sell strategic assets to credit unions, pension funds or even the public by way of share offerings (BN 31 Jul)
- Guyana has recorded a 6% growth in intra-regional exports since the existence of CARICOM up until the period ending 2011, the CARICOM Secretariat said (GuyTim 31 Jul)
- Any individual who has saved up to SRD 50,000 will be guaranteed the money is still there even if their bank fails, according to the Central Bank of Suriname (de Ware Tijd 31 Jul)

STUDENT INTERNS - SUMMER 2013



Keith Hamlet was born on the June 4th 1988 in the community of Marigot, Commonwealth of Dominica. His education started at the Weirs Government School, followed by the St. Andrews High School and the Dominica State College where he attained an Associates of Arts degree in Accounting.

Following this segment of my formal education, he was an employee of the Government of the Commonwealth of Dominica for a year and a half. First he worked under the Ministry of Finance as a junior clerk and then he was attached to the Ministry of Health as a Billing Clerk at the Princess Margaret Hospital. After his tenure within the public service had ended, he was employed at the National Bank of Dominica Ltd as customer service and sales representative for two and a half years. This experience taught him the value of team work and also sharpened

his communication and interpersonal skills. Although this experience was an educational as well as rewarding one, he owed it to himself to further his academic education.

He started the BSc. Economics (Special) at the University of the West Indies Open Campus Dominica and then transferred to the St. Augustine Campus and graduated in 2012. Immediately after, he decided to pursue the MSc Economics programme at the St. Augustine Campus because he was of the notion that doing this would expand his options career wise. Both the undergraduate and postgraduate programmes were challenging, so he had to keep reminding himself how important his success was to him and that helped him persevere and push through to the end.

He looks forward to working as an Economist preferably in the areas of public policy or trade as he was particularly interested in courses that focused on those subject matters. This interest was the motivation for his area of research at the Caribbean Centre for Money and Finance, which is tax policy specifically focusing on tax elasticity and buoyancy in selected OECS countries.

STUDENT INTERNS - SUMMER 2013 CONT'D



Roberta Straker, completed her first Degree with honours in Mathematics and Information Technology at the University of the West Indies, Cave Hill Campus. She enjoyed a stint as a part-time lecturer in the Department of Computer Science, Mathematics and Physics at Cave Hill. She continued at the same campus for a Master's Degree in Business and Financial Economics. To backtrack a bit, at secondary school - Queen's College - she was a member of the Interact Club. One highlight of her membership experience was travelling to Grenada to represent the Barbados arm of the regional clubs at a Caribbean conference of youth to discuss pressing issues of interest. In 2007 she was the recipient of a Rotary Ambassadorial Scholarship. In 2012 she volunteered as a tutor in a free afterschool programme designed for students attending primary schools in her neighbourhood. The programme was intended to provide an interactive, tailored environment that made teaching and learning organic, enjoyable and effective. Additionally, she worked as a camp counselor at a government-run summer camp in my area.



Kemeisha Barrett, a passionate researcher, is a final year graduate student at the University of the West Indies (UWI), Mona where she is pursuing a Master of Science degree in Economics. After being awarded a first degree in Economics and Statistics with Honours, she decided to further her studies in an area which she believes is an avenue through which she can contribute to the region's economic policies and development. She serves as a graduate assistant at UWI where she tutors parts 1 and 2 of Principles of Economics. Kemeisha continues to excel in the field of Economics and is optimistic about the future of the region's economy.

CONGRATULATIONS DR. DAVE SEERATTAN

The Executive Director and staff of the Caribbean Centre for Money and Finance extend heartiest congratulations to Dr. Dave Seerattan who has successfully completed the requirements for the award of Doctor of Philosophy in Economics from Brunel University in the United Kingdom.

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